

JPRS 74234

24 September 1979

West Europe Report

No. 1472

FBIS

FOREIGN BROADCAST INFORMATION SERVICE

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REPORT DOCUMENTATION PAGE		1. REPORT NO. JPRS 74234	2.	3. Recipient's Accession No.
4. Title and Subtitle WEST EUROPE REPORT, No. 1472			5. Report Date 24 September 1979	
7. Author(s)			8. Performing Organization Rept. No.	
9. Performing Organization Name and Address Joint Publications Research Service 1000 North Glebe Road Arlington, Virginia 22201			10. Project/Task/Work Unit No.	
			11. Contract(C) or Grant(G) No. (C) (G)	
12. Sponsoring Organization Name and Address As above			13. Type of Report & Period Covered	
			14.	
15. Supplementary Notes				
16. Abstract (Limit: 200 words) This serial report contains political/economic information on West European energy, finance and trade policy matters as well as developments and trends in the doctrine, programs and problems of the major communist parties, including their relations with communist parties outside the West European area. The report also contains information on Theater Nuclear Forces and elections to the European Parliament.				
17. Document Analysis a. Descriptors				
Political Science	<input checked="" type="checkbox"/> International Affairs	Iceland		
Sociology	<input type="checkbox"/> Austria	Italy		
Propaganda	<input type="checkbox"/> Belgium	Luxembourg		
Economics	<input checked="" type="checkbox"/> Canada	Netherlands		
Energy	<input type="checkbox"/> Cyprus	Norway		
Industry	<input type="checkbox"/> Denmark	<input checked="" type="checkbox"/> Portugal		
Trade	<input type="checkbox"/> Federal Republic of	<input checked="" type="checkbox"/> Spain		
Finance	<input type="checkbox"/> Germany	Sweden		
Theater Nuclear Forces	<input type="checkbox"/> Finland	Switzerland		
	<input checked="" type="checkbox"/> France	Turkey		
	<input type="checkbox"/> Greece	United Kingdom		
b. Identifiers/Open-Ended Terms				
c. COSATI Field/Group 5C, 5D, 10				
18. Availability Statement Unlimited Availability Sold by NTIS Springfield, Virginia 22161		19. Security Class (This Report) UNCLASSIFIED		21. No. of Pages 54
		20. Security Class (This Page) UNCLASSIFIED		22. Price

24 September 1979

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WESTERN RESPONSES TO SOVIET TNF SUPERIORITY DISCUSSED

Cologne RHEINISCHER MERKUR in German 17 Aug 79 p 12

[Article by Juergen Dorn: "Europe's Missile Gap"]

[Text] The Western alliance is faced with difficult decisions with respect to its nuclear armament. As a direct consequence of SALT II, it turns out that the United States' European allies are in urgent need of a counterbalance to the modern medium-range weapons of the Soviets. A number of political and military considerations are involved here. Among other things, NATO's entire strategic nuclear weapons concept is also affected.

Indeed, the threat to the security of the free world is now being talked about, written about and naturally also disputed more earnestly than before. Perhaps it is Herbert Wehner, chairman of the Social Democratic Party group in the German Bundestag, whom we ought to thank for bringing the issue among the people to a greater extent than ever before with his interpretation of the Eastern theory of power. The issue is the undisguised military buildup by the Soviet bloc despite years of arms control negotiations, despite all concessions on the part of the West.

The Western position has been based on the confident expectation that economic constraints would lead to self-restraint in the East as well. It was hoped that the more equal the arms potential of both sides, the easier it would be to practice such self-restraint, that it would suffice as a mutual deterrent to attack.

The relinquishment of military superiority, as documented by the two SALT treaties, and acceptance of partial inferiority on the part of the West in relation to the East -- or, to be more precise, of the United States in relation to the Soviet Union -- also necessarily means limiting oneself to inflicting vital damage on the enemy if the need arises, but nevertheless not annihilating him. However, this foregone conclusion of a reciprocal policy of deterrence presupposes agreement by both parties to renounce the

idea of "conquerability." But the uninterrupted arms buildup by the Soviets by no means coincides with this conclusion.

There are indications of a fundamental difference between East and West in the matter of security, one that must be recognized if the vocabulary of Eastern coexistence and detente policies is to be understood. The basic formula is this: The security policy of the Soviet Union is aimed at first being in a position to win a war; only after it is so equipped will it consider how to prevent war. The effects of such a perception of security cannot be calculated -- especially if the Soviet world view is taken as the basis of the calculation. Increasing military superiority encourages the exertion of pressure and the fomentation of crises, and in the end it may produce the temptation to cross over a low risk threshold, intervene militarily in conflicts or permit intervention by third parties. In the light of these circumstances, a security policy identical to that of the United States is a prerequisite for Western Europe.

Three "Deterrence Phases"

A natural obstacle to this is the intercontinental distance between the NATO states and the West European bridgehead compared to the broad expanse of the East bloc massif. If it should come to a military confrontation in Europe, the functioning of all three "phases" of the Western strategy of deterrence -- or the credible threat of escalation -- would be of greater importance to the Europeans than to the Americans. The latter will of course endeavor to reduce the danger of a global exchange of nuclear strikes and thus the inclusion of the American continent. This diversity of interests can have the effect of "disengagement" within NATO, an effect that certainly has long since been included in Soviet military policy calculations. Also entering into these calculations is naturally the disequilibrium that exists in Europe, where the Soviets have thus far insisted upon maintaining the status quo. The chief concern here is the conventional imbalance and the lack of an adequate equivalent to the newest type of Soviet medium-range missiles that are aimed at Western Europe.

It is truly astonishing to note how little has been learned from the long history of coexistence and the elaborate network of arms control treaties that has been linked with it. During the 1960's, when the Americans were attempting to come to terms with the Soviets on the basis of the balance of power, they were not entirely free of a sense of mission and the puritanical illusion that a good example would perforce carry conviction. Initially they had agreed in two treaties to halt nuclear weapons testing in the atmosphere, in outer space and under water (1963 test ban treaty) and to keep outer space and the planets totally free of nuclear weapons (1967 treaty on outer space).

But the theory of the Soviet Union's need for security is still alive in the West, a need that must be satisfied in order to take away its feeling

of "inferiority." In reality, Moscow has advanced to the position of the militarily strongest land and sea power. The only barrier to this power to date is the fact that its quantitative superiority has hitherto been unable to neutralize the so-called second-strike capability of the United States. The partially land-based and partially sea-based U.S. potential is already showing signs of vulnerability in the light of new Soviet developments for the 1980's. This is important also in terms of the security of Western Europe.

"Retaliatory Strike"

It can nevertheless be assumed that the United States will do all in its power to keep from losing its capacity for the "second strike," or "retaliatory strike." And to this extent, Europe would also be safe from a global exchange of nuclear strikes. However, this cannot be the sole aim of the Free World, for it would do too little for Europe itself. The alliance would then no longer offer any guarantee against less-than-nuclear threats and the accompanying political pressures, including the unlimited expansion of Soviet influence in the Third World. At stake here are vital Western interests, among them the security of Europe and thus the existence of the alliance itself.

Proof of the fact that we are already in the initial stages of such a coercive situation is shown by the success which the Soviets have had with their campaign against the stationing of so-called neutron weapons on European soil. These would constitute the most substantial equivalent to the East bloc's triple superiority in tank numbers. They could have taken the place of part of the present theater nuclear forces potential, the accuracy of which is lower and the degree of destruction all the greater and more self-destructive -- because they are deployed in their own defensive territory. The neutron bomb would have the additional advantage of benefiting the defender more than the attacker, since the short-term effect of its radiation component can wipe out a massed tank attack even as it gets under way without causing material destruction in surrounding areas.

Far less suitable as an aggressive weapon, it cannot be used to coerce anyone who employs it as a defensive weapon. Its deterrent effect for the defender is all the more credible. Thus, Soviet threats to also employ neutron weapons would probably have an effect only if and when the West had the intention of doing the attacking. A decision by NATO not to develop or station this weapon would therefore be incomprehensible.

Other American weapons developments are now part of a crucial debate with regard to use in the European area: For instance, the various kinds of cruise missile -- that flying object which glides along close to the ground, adjusting to irregularities in its surface -- and the advanced version of the Pershing missile. In contrast to the scope of the neutron bomb, both of these have a range which can threaten Soviet territory from

European soil. Attention is presently being focused on the Pershing in discussions by the responsible NATO bodies, parliament and the press.

The Soviets have possibly always been prepared to include in negotiations their medium-range potential aimed against Europe. They were quite willing to make a trade-off for the American "forward-based systems" stationed in Europe -- or nuclear-armed aircraft that can reach Soviet territory. However, reflections upon this in the West led to the recognition that this would substantially limit possible options in defending against an aggressor with vast superiority in the conventional sector. Indeed, the Soviet medium-range missiles have truly increasingly become an unrivaled arsenal as a consequence of the withdrawal from Europe of the American equivalent (the Jupiter and Thor medium-range missiles) following the Cuban crisis. This was supportable as long as the U.S. global weapons system was able to help "cover" it. But now the Soviets have drawn even as regards their inter-continental attack potential except for a few gaps in electronic guidance systems, and in some areas they have even surpassed the Americans.

At the same time, they have developed their medium-range potential into an operational attack capacity with which they are capable of neutralizing with hitherto unprecedented accuracy almost the entire nuclear capacity of NATO in Central Europe. In a single preventive strike, military command posts, missile bases, air bases and radar navigation installations could fall victim to a steadily growing attack potential such as this. It is an evasion of reality to argue that Western Europe has never had any equivalent with which to confront existing medium-range missiles, so their improvement does not alter the situation in any fundamental way. It is this very improvement of these weapons (multiple warheads, target accuracy, increased invulnerability through mobility, greater range) which makes them the starting point for a "first-strike potential" in Europe. This means neutralizing the ability of those attacked to launch a "response"; it constitutes the end of a mutual deterrent.

"Rungs of Escalation"

So the present situation is this: In the event of conflict, the West would be forced to "escalate" in the tactical nuclear sector as the result of its inferiority in terms of conventional weapons, a situation that it cannot adequately remedy without nuclear weapons of limited effect (the neutron bomb, for example). The Soviets, however, already possess a dual equivalent: their own theater nuclear weapons and the medium-range missiles which can virtually no longer be "covered" by American strategic weapons because of America's dwindling superiority. These Soviet medium-range missiles must be classified strategically according to the unequal geostrategic positions of both alliances, among other things. The Euro-strategic role is being mentioned in this context. The aforementioned missile systems are a dangerous potential threat since they are not bound to any arms control measure, while the American strategic weapons that are actually supposed to "cover" them are subject to the restrictions imposed by the SALT treaties.

Nevertheless, SALT does less to hinder the West from making an appropriate response; it does far more to block off two "rungs on the escalation ladder" within the framework of the strategy of flexible response. One rung stands for a convincing counterbalance to the superior strength of Soviet conventional forces, particularly the tank force with its triple strength advantage. (Here again, the counterbalance would be the neutron weapon.) The other rung, which is confronted by the Soviet medium-range potential in Europe -- the modern SS-20 missiles and the Backfire bombers -- could be NATO's improved Pershing missile.

This poses serious questions: A Pershing II as a weapon of escalation? As a reaction rung on the escalation ladder leading to the intercontinental exchange of nuclear strikes? In other words, as a link in a chain of phases ultimately backed by redemption of the U.S. nuclear guarantee for Western Europe? However, attaching to such questions is the same scepticism in matters of credibility that exists even in the absence of this new link to be inserted into the chain. Once again it is the question of the "disengagement effect," which arises out of the different geographical positions of America and Western Europe.

In the event of war, will an American president truly not hesitate to approve the use of Pershing missiles, and if not, will he then deploy them in such a way that he makes the East bloc believe the risk of a "total strike" about to be launched? Is this link-in-the-chain function truly the ne plus ultra?

It is the same problem that is looming between Europeans and the Americans in the matter of SALT: SALT does in fact establish two zones of varying degrees of jeopardy, for it covers only one -- the global-strategic -- not the Euro-strategic.

"Second-Strike Capacity"

It would perhaps be a good thing after all to establish a real "second-strike capacity" in Europe itself, one which could not be destroyed by the Soviet Euro-strategic potential and would itself be a threat to targets on Soviet soil. In other words, it would constitute a response to be kept in reserve, one which the defender himself would not use to "escalate" but only to respond to "escalation" by the aggressor. The aggressor would have to recognize that his territory was not a sanctuary. A weapons system of this sort would then have to be made available out of the assortment of escalation weapons, and this would have to be done openly and conspicuously as an incalculable risk for a potential aggressor; otherwise the whole affair would remain a mental exercise. A natural candidate for this is the Pershing II weapons system, which is already under discussion at present. Its range and mobility provide it with the ability to adequately balance the Soviet SS-20; it does not match the quality of the latter, however. And just as the SS-20's could not be neutralized, so would the Pershings also then have to be kept operable, possibly supplemented by cruise missiles which could, moreover, also assume functions of the Pershing. Given the

strategic deployment significance that the Pershing II would have with a range of 1,800 to 2,500 km, it would already be too massive as a direct counterbalance to Moscow's conventional superiority. And the most important factor is that a European second-strike capability would be more likely to reduce rather than increase the feared threat of disengagement, for the risk would then lie with the aggressor. Moreover, remaining under American responsibility to deploy, its primary purpose would come into play only if and when the Soviet medium-range missiles were already under way. The position of the defender would improve. To be sure, Western Europe must be prepared to accept this weapons system and to settle the dispute over its being stationed here.

To sum up, there are two elements involved: One is the modernization or revitalization of the existing nuclear potential, using the neutron bomb and perhaps cruise missiles; the other is a "second-strike capacity" obtained by replacing a part of the existing Pershing system of limited range with the long-range version. The second element hinges upon the first. Of course, many questions still remain unanswered here: Beginning with the mobility of the Pershing in a limited defensive area, going on to its corresponding infrastructure and proceeding to linkage with the French and British medium-range potential -- whether from the military standpoint or that of arms control policy.

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CSO: 3103

BENELUX COUNTRIES LACK UNIFIED ENERGY POLICY

No Solidarity

Zurich NEUE ZUERCHER ZEITUNG in German 18 Aug 79 pp 9-10

[Article by pmr: "Energy Policy in Benelux: No Example of Cooperation"]

[Text] At one of their routine meetings in early June the economics ministers of the three Benelux countries agreed on closer cooperation in energy policy. Sufficiently realistic not to aspire to "complete synchronization" they were aware that the economic structures, sociopolitical priorities and energy prices in their countries vary much too widely. In fact the differences in the circumstances of the three countries--wrongly assumed abroad to represent a homogeneous unit--are particularly well illustrated by their energy policies.

Lacking Solidarity

Thanks to the Groningen natural gas deposits the Dutch are able to meet more than half their energy needs from domestic sources and, as Europe's "natural gas sheikhs," in fact profit from oil price inflation because their export prices--though with a time lag--are tied to oil prices. The Belgians, on the other hand, aside from the excessively expensive coal mine output in the Kempen Basin and a few reservoirs in the Ardennes, have no domestic energy resources and therefore at an early stage turned their attention to nuclear energy. The small Grand Duchy of Luxembourg, for its part, is largely dependent on supplies from abroad for even its electric energy supplies.

The three countries solidarity ceases abruptly when it is a matter of actually doing something. Belgium and Holland, for example, have for years persisted in enforcing different speed limits. The limit is 100 km per hour in the Netherlands, 120 km in Belgium and Luxembourg. In April last the Brussels Government went ahead with heating fuel restrictions, while The Hague confined itself to appeals to the public for energy conservation. In July the Belgians surprised their partners with a toll on the motorways, which seems about to put an end to free traffic across the Benelux borders. The Luxembourg authorities have long angered their neighbors by their unusually low tax on gasoline.

The Dutch Betting on Oil

"If you must have a bath, at least take your dirty dishes with you into the tub." A Dutch newspaper thus recently mocked the government's energy conservation campaign. The conservation program announced in early April last represented a victory for the Liberal coalition partners in the Christian-Liberal Cabinet. They rely on the good sense of the public, which is to be encouraged by recommendations. Admittedly the government can also boast serious conservation measures such as the 30 percent bonus for insulating residential buildings--in effect for some years--or the 10-15 percent subsidy for energy conserving investments by industry. A large parliamentary majority, including also the governing Christian Democrats, would like to go further, though, and calls for compulsory conservation.

The Dutch are in an odd conflict situation regarding conservation programs. Conservation is mostly aimed at restricting natural gas consumption. In contrast to international goals, oil use is to double in the next 20 years. Thanks to natural gas oil consumption so far is well below that of the neighboring countries. In the years 1973-1977 the proportion of oil in total primary energy consumption (which rose from 62 million to 65 million tons of oil equivalents) declined from 47 percent to 40 percent; last year, though, a slight reverse was noted: The proportion of oil rose to 41.4 percent or 26.8 million tons, and a rise to 30.7 million tons was forecast for 1979.

Industry, at 34 percent, was among the chief users of oil products, and so were the power plants with 16 percent. According to the longer term plans of the government, power plants and big industry are to increasingly switch to oil: The high quality natural gas is to be reserved for household use as long as possible. Most power plants can easily be switched over from natural gas to oil; new plants would only be needed if coal were to be used as fuel. The projected distribution of total consumption in 1990 therefore runs like this: 50 percent oil, 40 percent natural gas, 10 percent coal and nuclear energy. Conservation efforts are directed primarily at road traffic which accounts for 20 percent of total oil consumption. As the environmentally minded Dutch are in any case opposed to the operation of private automobiles, bans on Sunday driving, gasoline rationing and increased automobile taxes are popular topics of discussion.

Pensive "Natural Gas Sheikhs"

According to the calculations of the Gasunie marketing company the Groningen natural gas reserves will be exhausted by the year 2000. After a 15-year boom, when 95 percent of industry and residential buildings as well as 29 power plants were tied in to the network, the Dutch are beginning to consider with increasing urgency what is to be done when the natural gas era comes to a close. Natural gas provides annual revenues of about 6 billion guilders; at the same time domestic consumption replaces imports of about

40 million tons of oil, so that Groningen's positive effect on the balance of payments is estimated at some 14 billion guilders. Dutch export obligations up to the turn of the century amount to about 600 billion cubic meters; unless spectacular new reserves are discovered, 900 billion cubic meters remain for domestic consumption.

At the moment 10 billion cubic meters each of the annual natural gas consumption of about 45 billion cubic meters go to the power plants and big industry; smaller industrial firms, including the famous glasshouse horticultural enterprises, consume 7 billion cubic meters, households 17 billion cubic meters. It is the declared aim of the government to direct power plants and big industry to other fuels and keep the clean gas for small users and as a raw material for industry. For large-scale consumers the price of natural gas has long been linked to the fuel oil index, and firms have often complained that their energy costs were higher than those of their competitors abroad. Last spring, therefore, the economics minister decreed a modest price reduction. The price for small consumers, on the other hand, still lags behind the level of oil prices. Next year, though, it is also supposed to be linked to the fuel oil index.

Individual Problems Scrutinized

Zurich NEUE ZUERCHER ZEITUNG in German 22 Aug 79 p 11

[Article by pur]

[Text] Dutch Reservations Regarding Coal and Nuclear Power

Coal and nuclear energy are quite unimportant for Dutch energy supplies. Among the power plants with a total capacity of 14,500 megawatt (MW) only 750 MW are derived from coal and 52MW from nuclear fuel. However, the power plants switch from natural gas to oil is considered a transitional solution only. New power plants are to be equipped for coal use, so that Dutch coal consumption will rise from about 3 million tons now to 32 million tons by the year 2000, and coal may take care of 20 percent of the energy supply. Currently any coal needed is imported. Though 2.6 billion tons are available at a depth of 1,500 meters in the South Limburg coal basin around Maastricht, the government seems little inclined to reopen the expensive mining operations there. The last Dutch coal mine closed down in 1975. Nor is any provision for coal included in the 5-year energy research program which is to cost more than 1.7 billion guilders. A government white paper dealing with coal has been promised for the fall. It will show whether this state of affairs is to persist.

Nuclear energy, on the other hand, preempts about half the research funds, although there is not much likelihood that the three nuclear power plants of 1,000 MW each--decided upon in principle in 1974--will in fact be constructed. First of all, so states the government program, it will be necessary satisfactorily to settle the issue of the removal of radioactive wastes and, in

addition, carry on a "wide social discussion." When he failed to raise sufficient reservations to greater emphasis on nuclear expansion at the Strasbourg summit of the EC heads of government, Prime Minister van Agt quickly found out that the public is less than enchanted with the prospect of nuclear energy. The Prime Minister complained that a climate is prevalent in the country "which brands a maniac or barbarian anyone who even seriously things about nuclear energy." So far no real mishaps have occurred in either of the two nuclear power plants respectively operating for 11 years in Dodewaard (50 MW) and 6 years in Borssele (470 MW).

In the Netherlands as well as in most neighboring countries alternative types of energy, such as solar and wind power, are still in their infancy. Though, in theory, 5,000 of the familiar windmills could meet 10-20 percent of Dutch electricity needs, as explained by former economics minister Lubbers at the dedication of a test project in 1977, the enormous length of the sails needed (at least 50 meters) would seriously impair the Dutch horizons.

Belgium Doubles Nuclear Energy Share

In July last the Belgian Government enacted its long heralded energy conservation program which had been frequently postponed due to the frequent cabinet crises. The last fundamental survey of the energy situation dated back to 1966. At that time it was decided to construct seven nuclear power plants which were to provide roughly 50 percent of Belgian electricity supplies by 1985. The new program assumes that the planned conservation measures will succeed in reducing the former growth trend of energy consumption from 3.6 percent to 2.9 percent per annum. If this forecast is correct, Belgian demand would rise from 45.5 million tons of oil equivalents last year to 64 million tons in 1990. The government wishes to reduce the share of oil from just under 54 percent now to less than 50 percent. Coal and natural gas are to keep their share of 20 percent each. In the next 10 years nuclear energy is intended to meet 13 percent of Belgian consumption instead of the 6 percent it now supplies.

At the moment three nuclear power plants operate in Belgium. Together they have a capacity of 1,670 MW in a total capacity of all power plants of around 10,000 MW. Another four units with a potential total of 3,800 MW are under construction. In the early years the construction of nuclear energy plants concentrated on two locations, near Huy on the Maas and Doel near Antwerp, and it proceeded relatively quietly and unnoticed by the broad public. Later, however, resistance has been mounting. An antinuclear vote in the Walloon city of Anderne and the high-handed shut-down of a plant by the local mayor last spring have drawn a great deal of attention. The more resolutely organizing environmentalists also vociferously protest the government's plans for restarting the operations of the Eurochemie recovery facility in the Flemish city of Mol. In 1966 Eurochemie had begun with a capacity of 60 tons per annum as a test facility for 13 European countries. When France and the Federal Republic of Germany withdrew, the plant was shut down in 1974. In late 1977 it was agreed that the facility should be operated by the Belgians.

As Belgium has no suitable disposal site for radioactive wastes, the government considers recovery and reprocessing of nuclear fuels the best solution, though the new energy program foregoes the construction of a fast breeder reactor at least for the time being.

Once upon a time coal was the basis of Belgian wealth. Coal and natural gas--up to now mainly imported from the Netherlands--each meet 20 percent of Belgian energy needs. Only half the coal now used originates with domestic production, subsidized last year to the tune of 7.5 billion Belgian francs. In 1978 the mining of 1 ton in the Kempen hard coal basin cost an average of 2,976 Belgian francs, while in the port of Antwerp Polish and American coal was available for 1,000-1,200 Belgian francs. Nevertheless Economics Minister Claes intends to maintain an annual output of some 7 million tons. Last year 6.6 million tons were mined and 15,000 miners employed.

After several abortive attempts Brussels intends to have another try at getting a firmer grip on oil supplies. To build up a certain safety reserve, the economics minister intends this fall to buy 300,000 tons of crude oil direct from the producer countries. This stock is not intended only to serve as an emergency reserve but also as a support for the independent dealers who were shut out by the major companies in last spring's oil shortage, subsequently flooding the economics ministry with their bitter complaints. The government is definitely interested in maintaining the competitive strength of these dealers who hold a 7 percent share of the market. It therefore concluded an agreement with the international oil companies that a certain--though very limited--volume should be made available to the independents each month. The independents, however, consider this a drop in the ocean as long as the Rotterdam market quotations are far above the maximum prices permissible in Belgium.

Luxembourg's Rejection of Nuclear Power

In the words of its energy minister, Luxembourg depends to 99 percent on imported energy sources. Only the hydroelectric plant at Vianden is fed from domestic sources. Two thirds of electricity needs must be met from abroad. A substantial percentage of the imports of solid fuels--around 2.5 million tons in 1978--goes to the steel industry. Its recovery therefore signaled a noticeable rise in energy needs last year. Dropped in the aftermath of the Harrisburg events was the long and bitterly contested plan, in conjunction with the Rheinisch-Westfaelisches Elektrizitaetswerk AG, to construct a 1,200 MW nuclear power plant near Remerschen. Instead a traditional coal-fired power plant with a 600 MW capacity is to be built together with the Arbed steel corporation. By 1985 this should be able fully to meet Luxembourg's electricity needs. Still, Luxembourg environmentalists have little cause to rejoice because hard at the borders of the Grand Duchy, near Thionville, France has started on the construction of the largest yet nuclear power plant with an annual capacity of 4 x 1,300 MW.

RYAN'S STAND ON REFERENDUM DATE CRITICIZED

Montreal LA PRESSE in French 21 Aug 79 p A4

[Editorial by Paul Desmarais, chairman of the board: "Ryan and the Referendum Campaign"]

[Text] At the close of the week, the head of the Quebec Liberal Party discussed the referendum campaign. According to the dispatches, he stated that the population being ill-informed was not ready for next spring's referendum. In his opinion, this poll was premature.

Yet, did not Ryan repeatedly urge the PQ government to hold the promised referendum as soon as possible? Did he not take it to task for unduly postponing this election? And not long ago, was he not disappointed that the Levesque government postponed it till spring of 1980 when he wanted it held this fall?

How did Ryan suddenly come to realize that people were not ready to face this day of reckoning? Could he have discovered that the "yes" could be given support through the clever strategy formulated during the last PQ congress and aimed at convincing Quebec residents that a second, not a first, referendum would be conclusive? It is difficult for me to imagine that a politician, confident of victory, would risk making remarks which could eventually lessen the scope of such a victory by implying that it was achieved through the help of an ill-informed citizenry.

In my opinion, if after countless debates Quebec residents are not yet prepared to make a constitutional choice, I fear they never will be. The sooner the referendum is held, the better it will be for the social, political and, above all, economic climate. The present uncertainty disastrously affects not only the Quebec economy but indirectly--through the ensuing losses--the whole of Canada. The comments made to LA PRESSE on Saturday by the president of Pratt & Whitney shed much light on the subject.

As a rule, people can always study an issue thoroughly to form a better opinion. Ryan himself is proof of this by his continuing to develop sensible changes concerning federalism. However, for each intellectual who benefits from these debates, there are 100,000 Quebec residents who have other things to do and are fed up with this confusion. Consequently, failing to detect that public opinion has been saturated could bring a vote against the issue rather than a reasonable vote, especially since this lengthy debate is engendering economic stagnation and social unease unfavorable to thought and the in-depth discussion of such an issue.

Ryan stated that his party, which will act as leader during the referendum campaign, will seek the consensus of "no" supporters concerning the way in which the sovereignty-association should be checked and concerning the basic principles justifying the defense of the federalist option. To this end, Ryan and Trudeau agreed on the outline of a manifesto to be eventually submitted for the approval of the other factions making up the umbrella committee entrusted with defending the "no."

It is now clear that a renewed federalism will not be proposed to Quebec residents during the referendum since at this stage the federalists have not yet reached a consensus. Consequently, they will attack the pequiste thesis and defend "in abstracto" the virtues of federalism. This is the same as saying to Quebec residents: any type of federalism--including the current one--is preferable to the sovereignty-association.

The trouble is that, for a long time, most of the Quebec federalist parties, and several Quebec members of federal parties, have denounced the current federalism. Did not several of them, with Ryan in the lead, argue with conviction that to fight effectively against the pequiste option, it was necessary to say yes to a project of renewed federalism while saying no to the pequiste option?

I admit that the federalists are being forced to conduct an opposition campaign, but it entails a serious danger.

If Quebec residents say "no" to the sovereignty-association without simultaneously saying "yes" to renewed federalism, what will English-speaking Canada think? Will it assume that it was right in thinking that Quebec residents do not know what they want? That, unlike their leaders' claim, the current federalism suits them better than the sovereignty-association? That they are bluffers who are not ready to give up the advantages of their present "dependence" for the risks of an eventual independence?

If they react in this manner, how will they be able to relaunch the constitutional reform?

In this affair, the federalists remind me of Christians who, unable to agree on the way to serve God, only succeed in agreeing to fight Satan.

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CSO: 3100

NATION'S GROUND FORCES WEAPONS INDUSTRY DISCUSSED

Paris DEFENSE INTERARMEES in French Jun 79 pp 19-26

[Article by J. Mayet]

[Text] The complexity of modern weapons and the necessity of having recourse, for certain components, to civilian manufacturers, if only in the interest of rationalization and cost efficiency, especially in the mechanics and electronics fields, has led the weapons industry in France to structure itself in a rather original way, which makes it possible for each of the manufacturers to be totally independent, while at the same time observing constraints which make possible a certain amount of rationalization by avoiding dispersion and overlapping, the inevitable counterparts of this independence.

The principal characteristics of the weapons industry in France is the cohabitation of state establishments, private companies and nationalized companies.

The entire structure is placed under the control of the Technical Direction of Ground Forces (DTAT) which, under the aegis of the General Delegation of Weaponry (DGA) directs and verifies the programs of the ground forces weapons industry.

State establishments which produce weapons are administered by the DTAT and are gathered collectively into the Industrial Group of Ground Forces Weapons Industry (GIAT) which has two functions:

--the study and manufacture of ground forces weapons for use in the French army and for export;

--marketing and technical assistance abroad for these weapons.

These state establishments are ten in number, the first two having merged:

--APX (Puteaux): Fire control, optics

- AMX (Issy-les-Moulineaux): Armored vehicles
- EFAB (Bourges): Artillery and heavy munitions
- ATS (Tarbes): Heavy iron and steel metallurgy--Turrets
- ARE (Roanne): Armored vehicles
- MAS (Saint-Etienne): Light weapons, cupolas
- MAT (Tulle): Light automatic weapons
- ATE (Toulouse): Small and medium caliber munitions
- ASS (Salbris): Guided missiles and rockets
- ARS (Rennes): Casings
- ALM (Le Mans): Munitions

The first three have a general research center in addition to their manufacturing facilities.

Numerous private industries work for the DTAT. Their full or partial activities are either mixed: civilian and military (mechanics, clock and watch making, optics, utility services, electronics, computation...) or typically military. Among these may be mentioned:

- Armored Vehicles: Panhard, RVI, Lohr, Hotchkiss, Creusot-Loire
- Turrets: Alsetex, CNMP Berthiez, Marcel Dassault Electronics, SAMM
- Munitions: Brant, Luchaire, Manurhin, Gevelot, Alsetex
- Guided Missiles: Aerospatiale, Matra, Luchaire
- Electronics: Thomson CSF, CIT Alcatel, CII, LCT, Marcel Dassault

Commercial stocks, especially abroad, are handled by mixed agencies which have on their administrative councils representatives of private companies and of GIAT such as SOFREGIAT and SOFRENAT.

Every other year an exhibition is organized on the plain of Satory near Versailles. This exhibition is organized jointly by DTAT and the Liaison Committee of Exhibitions of Satory (CLES), representing private industry.

It is an opportunity to show future purchasers from the world over, and the specialized press, the entire range of weapons which prove the vitality of this branch of French industry, which plays an important part in the balance of international commerce.

Armored Vehicle Construction Policy in France

The manufacture of armored vehicles in France reflects the general weapons industry organization: the weapons are produced by GIAT, the turrets and casings either by GIAT or by the private sector, which also produces mechanics, optics, or electronics.

DMA plays a very important role. It fixes the army's needs, transmits orders to the industries involved, initiates programs and verifies them.

This procedure avoids waste of time—and money—in studies which risk winding up for naught or duplicating material already in existence or being manufactured.

This notwithstanding, certain firms do not hesitate to present, of their own accord, prototypes, improvements or innovations, which can assure them a favorable position in the future market, thus reducing the time lag in production.

Furthermore, the weapons industry does not work exclusively for the French army, but also for foreign countries whose specifications may be different.

Certain weapons may be in service both in France and abroad (AMX 13, AML...), canceled in France, as a result of a program change, but ordered abroad (AMX 30 Bridge Layer...), conceived for foreign buyers, then adopted in France (Crotale...), and, finally, built only for export (Shahine...).

The cohabitation of state and private industries, as well as the specialization of constructors, gives therefore a great flexibility of action which makes it possible to meet a varied demand either for complete vehicles or for separate elements: for example, the Applications of Mobile Machines Co. (SAMM) and the Norman Precision Mechanics Co. (CNMP) list in their 'catalog' 15 turrets adaptable to chassis of the Panhard AML and ERC, Saviem VAB, and GIAT AMX 10 type.

Likewise, the Fives-Lille FL 10 turret is used in Israel on a Sherman chassis, in Austria on a Saurer chassis and in Brazil on an Englesa Sucuri chassis, not to mention Creusot-Loire cupolas and swivel-rings adaptable to any vehicle, including trucks, as either a principal or secondary weapon.

It is therefore somewhat of an 'a la carte service' which is offered, which does not simplify a general study of armored vehicles such as was previously possible. All the more so in that a new notion has arisen, that of the armored vehicle series: although it was applied for the first time on the old FT17 tank, it was only during the fifties that this principal was put into full use, largely for reasons of rationalization and given the necessity to protect all combat personnel against

direct and NBC attack, while insuring everyone, whatever their role (support, engineering, signals, command, medical, etc.) identical mobility to that of the combat vehicle they accompany, and without whom it could not function.

Panorama of French Armored Vehicles

Tracked Vehicles

The AMX 30

This is a battle tank used, with over 1,000 in service, to equip the tank regiments of armored divisions. The pre-eminence given to mobility and weaponry makes it one of the most complete and lightest of present-day battle tanks. (cf. D.I.no.7)

Weighing 36 tons, it is powered by an Hispano-Suiza 720 CV motor displacing 2,600 t/mm which gives it a maximum speed of 65 KM an hour for a range of 600 KM (or 19 hours of combat).

Its principal weapon is a 105 mm gun with 50 shells on board. It has a 20 mm coaxial gun and a machine gun under a separate cupola. It has a crew of four. Placed in service in 1965, it is being revalorized with a system of automatic fire control and a more powerful engine.

Its series comprises:

--155 GCT: a self-propelled vehicle with a turret mounted by a 155 mm gun; a crew of four

--AMX 30 S: specially adapted for warm weather countries with reinforced filters, ventilation, an engine tuned to 620 CV

--PLUTO: a nuclear missile-launcher, with a 120 KM range and a crew of four

--AMX 30 R: two Roland ground to air missile-launching ramps and radar, crew of four

--AMX 30 SA 401: 30 mm double-barrel and radar, crew of three

--AMX 30 D: repair tank, crew of four (two mechanics)

--AMX 30 H: bridge-layer, 22 meter truss, crew of three

--SHAHINE: a double system: a vehicle carrying six Crotale ground to air missile-launching ramps and an interception vehicle with radar and computer.

--JAVELOT: carries 64 ground to air saturation barrels

--ENFRAC: corps of engineers' vehicle for grading banks, including shovel and spade

It is manufactured under license in Spain and is in service in Greece and in Venezuela, in its regular version: it also equips several Middle Eastern countries.

The AMX 13

Twenty years of service! Although the present AMX 13 has undergone a certain number of rejuvenations since being put into service in 1952, it is apparent that they no longer meet present needs. But this simple figure and the fact that they are used by more than 20 countries on all continents proves the value of this equipment, which is simple, light, well armed, suitable for fulfilling the most varied roles: tank, antitank, reconnaissance, etc. Its chassis has lent itself to numerous adaptations. It is this machine which has proved the interest of a series which has the largest possible number of interchangeable components.

When it was put into service, this tank created a revolutionary impression: an armored vehicle of only 14 tons, with a crew of three and a 75 mm gun, while for the same caliber the Americans needed the 34 ton Sherman and we still had in one regiment 45 ton German Panthers.

Since then, its gun has been replaced by a 50 mm, and even by a 105 mm for export; its fire control system has been improved but it has about outlived its usefulness. Its mechanical gearbox and oscillating turret which deprive it of absolute (air) tightness are its two main defects.

Its chassis lends itself to very numerous fittings (not to mention its varied turrets on the basic chassis):

--AMX VCI: armored troop transport (13 man) capable of accommodating the Creusot-Loire line of cupolas

--AMX PC: six man command post, work table and variable radio means according to the intended echelon

--AMX S: medical vehicle for battlefield recuperation capable of transporting seven wounded men, three of them lying down

--105 M 50: 105 howitzer beneath casemate

--105B: 105 gun under turret

--AMX DCA: 30 mm double barrel and detection radar

--AMX 40: 40 mm DCA gun

--155 M F3: self-propelling open case 155 gun

--AMX VCA: companion vehicle of the preceding with eight man gun crew and munitions

--VCG FI: corps of engineers' vehicle with earthwork tools

--M 55: repair vehicle for mechanized units

--AMX PP FI: bridge-layer, 14 meter truss

--VC 12-120: 120 mm motor carrier

As well as an entire line of radar carriers intended for mechanized units or for cover.

The AMX 10

For this vehicle which came out in 1973, the inverse procedure was applied: it is a troop transport vehicle which was first placed in service and which afterwards gave birth to a combat vehicle.

Weighing 14 tons, it can transport an 11 man crew sheltered from small arms fire and protected from nuclear effects. Its usual weapon is a 20 mm gun under a GIAT TH 20 turret. Equipped with a 280 CV Hispano-Suiza engine which gives it a 65 km an hour speed with a 600 km road range, it is amphibious without any preparation being required; it moves in water by means of hydrojets. In general its technical characteristics are very similar to those of the AMX 30 which it is assigned to support.

From this troop transport, an entire line of utility vehicles similar to the AMX 13 line has been developed or is under development; PC vehicle, motor carrier, repair vehicle, medical vehicle, radar carrier, etc., as well as a HOT missile-launching vehicle.

From the VTT, for the creation of combat vehicles it was necessary, in general, to modify the chassis and the transmission; the principal modification was to shift the engine from the front to the rear; two vehicles have been created in this manner but have not, up until now, been followed up:

--AMX 10 M: self-propelling anti-tank with, in casemate, a 142 mm gun capable of firing the ACRA missile. It was abandoned in 1973.

--AMX 10 C: amphibious combat vehicle equipped with a GIAT TK 105 mm gun; it was abandoned in 1976 (the same turret on a chassis on wheels constitutes the AMX 10 RC).

Finally, in 1978, the GIAT T90-22 turret, armed with a 90 mm gun, was mounted on the regular AMX 10 chassis. This unit, called the PAC 90, has not completely lost its role of troop transport since, in addition to

the pilot in front, the tank chief and the shooter in the turret, a covering group of four men can take up position in the rear and use the same evacuation ramp as on the basic AMX 10.

Lohr Light Infantry Patrol Vehicle

This is a typical case of a vehicle introduced on the manufacturer's own initiative. Perfected by Hotchkiss-Brandt, the license was taken over by the Lohr Company.

This firm, which specializes in the manufacture of cars and trailers, gained recognition in the military field by a series of special trailers and 60 ton tank transporters, as well as by a light transport vehicle for airborne forces.

The VP90 and VP110 are very small vehicles (1,05 meters high) and light-weight (2,2 tons), originally powered by a Hotchkiss engine but they are capable of using any 90-130 CV engine.

Its eventual use has yet to be designated by the army, which has only ordered an experimental prototype, but the development of high performance light arms such as the Milan antitank vehicle or the breechloading 60 mm mortar could make it an interesting light platform.

Vehicles on Wheels

The EBR

Of the same vintage as the AMX 13, the Panhard Armored Reconnaissance Vehicle (EBR) has had the same lifespan and has undergone practically the same rejuvenations, before outliving its usefulness.

The EBR, which is descended directly from the Panhard AMD 201 prototype of 1940, has very distinctive, perfectly symmetric, lines. Its bogie consists of eight wheels, of which the four inner ones are retractable. Two pilots at opposite ends and a reversing movement of the motor give it identical possibilities for moving in either direction.

The structure of the EBR does not make it possible to derive a series from it. However, at the request of Venezuela, a DCA vehicle with double barrel 30 mm turrets was researched and, for Portugal, a 15-man troop transport with reversing mechanism.

The AMX 10 RC

This has been derived from the AMX 10 C, and thus belongs to the AMX 10 line with modified chassis. The bogie, especially, although consisting of six pneumatic wheels, is derived directly from the tracked bogie and the change of direction is effected by a sliding of the rear wheels. All its technical characteristics are identical with those of the S5 10, with the exception of its oleopneumatic suspension with variable ground clearance.

As of now, the PC and radio versions have been planned, although current orders from the army have only been placed for the gun model to replace the EBR.

The Panhard AML

In 1955, the Army General Staff inaugurated a program of a light armored vehicle on wheels. Panhard responded in 1959 with an experimental vehicle which was placed in service in 1962. Powered by a 4 HD, 90 CV, 4,700 t/mn Panhard engine, it is a very simple, sturdy, compact vehicle (3,80 meters in length). According to the weaponry, its weight varies from 4.5 to 5.5 tons; its road speed is 90 km an hour with a range of 600 km.

Over 30 countries have ordered it or built it under license. It can accommodate the entire range of SAMM, CNMP turrets, as well as Hotchkiss and Aerospatiale light turrets; the weaponry ranges thus from a 90 mm gun, via mortars and double-barrel ground to air, to antitank missiles.

The AML is not amphibious, but can accommodate air-tight caissons which secondarily increase its lateral protection.

The Panhard M3

By virtue of its construction, the AML does not lend itself to variation, except the mounting of different turrets. Thus, by using the maximum number of interchangeable components, the Panhard Company wanted to create an armored troop transporter derived from the AML: this constitutes the M3 series. Varying in weight from 5.5 to 6.5 tons, its range has been increased to 1,000 km. Although France has not ordered any, over 800 units have been sold abroad in seven main versions:

--M3 PC, with work tables and varying radio means

--M3 VTT, transports a combat group of ten men and accommodates all the Creusot-Loire turrets, from the machine gun through the 60 mm mortar

--M3 S, medical vehicle which can transport four wounded men prone

--M3 VAT, second echelon repair vehicle with five mechanics, hoisting-gear and a generating-set

--M3 VDA, with a CNMP H20-R turret, two 20 DCA and radar

--M3 HOT, with a GIAT Lancelot turret, four HOT missile launching-ramps

--M3 WPM, with an open turret for an 81 mm Hotchkiss-Brandt howitzer.

The ERC/VCR

At the request of a foreign country (Iraq), the Panhard Company perfected a new series of combat and support vehicles superior to those of the AMC/M3 series. Thus have resulted the ERC/VCR which were presented for the first time at the Satory Exhibition in 1977, in nine different versions.

It involves a common six wheel chassis--the inner wheels are retractable--weighing from seven to nine tons. The engine is a Peugeot-Renault-Volvo V6, producing 140 CV at a maximum road speed of 110 KM an hour. It is amphibious and moves on water by means of hydrojets or by the movement of its wheels.

The ERC (Gun Reconnaissance Vehicle) can accommodate all turrets through that of the 90 mm gun, while the VCR (Combat Vehicle on Wheels) is an armored transport vehicle with a swivel-ring for light turrets.

The ERC has been produced in five versions:

--ERC 90 SAGAIE [Assegai], with a GIAT T90-22 turret and 90 mm gun

--ERC 90 LYNX, with a CNMP turret, 90 mm gun and night firing device

--ERC SERVAL [Bush Cat], with CNMP turret, 60 mm mortar and 20 mm gun, with or without a 7.62 machine gun

--ERC GUEPARD [Cheetah], with SAMM TG 120 turret, double loading 20 mm gun, machine gun, and potentially a Rapace [Bird of Prey] radar

--EMC 81, with Hotchkiss-Brandt turret or closed for 81 mm breech-loading mortar

For its part, the VCR has been produced in four versions:

--VCR TT, troop transport (12 men) capable of accommodating the entire range of Creusot-Loire cupolas

--VCR PC, seven men and considerable radio means

--VCR IS, with raised frame for transporting from four to eight wounded men

--VCR TH, with Aerospatiale UTM 800 turret and four ramps for the HOT missile

The VAB and the VCS

Considering the possibilities and the risks of their being destroyed, either by nuclear weapons or by aviation, armored units are now evolving in a

very spread out manner. It is thus necessary to provide for the occupation and control of the intervals: the AMX 10 type tracked vehicle being conceived to evolve with armored vehicles, this role must devolve on a different type of vehicle.

Thus was born the Forward Armored Vehicle (which could also have been dubbed the Multipurpose Armored Vehicle). In fact it is an armored truck: pilot and engine in front, free compartment to the rear, the whole protected by armor.

After competition between Berliet and Saviem, the latter sewed up the market with a 12 ton vehicle with a MANN 235 CV engine, reaching a 95 kilometers an hour speed and a 1,000 kilometer range. It is transportable by air and is amphibious.

Using the same frame and the same mechanics, it is produced in two forms: one 4x4 which has been ordered by the French army and another 6x6 intended for export. The rear compartment has a floor space of 3.40 square meters and is accessible through two wide doors which, in the basic models, enable it to transport 12 armed men (VTT) or two tons of equipment (Cargo).

All forms of equipment may be envisaged on the VAB: light weapons, mortar, PC, ground to air or antitank missiles, maintenance, radar, medical, etc., but heretofore the French army has only evinced an interest in three models:

--The VTT or Cargo, armed with a machine gun or with a 20 mm gun. Put into service in 1978, about 4,000 have been ordered.

--The VADAR, Autonomous Close Anti-Aircraft Defense Vehicle, with an SAMM GTS turret: two 20 mm guns in withdrawn position in the rear, a Thomson range-finding computer and Marcel Dassault observation and identification radar. 350 VADAR have been ordered.

--The VCAC, Antitank Combat Vehicle, equipped with a Mephisto turret, manufactured by Aerospatiale, four HOT missile-launching ramps. The platform has the noteworthy feature of being retractable within the frame, thus making loading possible under the protection of the armor. This system is undergoing testing.

The VBX Berliet

In the mid-sixties, the Berliet Company introduced, on its own behalf, a 4x4 armored vehicle, the BL 12. Thus, when the army inaugurated its project of a forward armored vehicle, the improved BL 12, named the VBX, was one of the first offered. But, having been conceived prior to the project itself, it did not meet all of the latter's specifications. Principally, the rear engine did not allow complete rear clearance, thus the Saviem project was given the nod.

However, presented at the Satory Exhibition in 1971, in a strongly armed version with two 20 mm guns and two 89 mm antitank rocket launchers and

in a Maintenance of Order version with protecting grating and grenade launchers, the French Gendarmerie became interested in it and ordered 300 units. Further orders were received from Tunisia, Gaboon, Senegal, and Morocco. The recent merger of Berliet and Saviem has sounded the death knell for this vehicle. In the Maintenance of Order version, ordered by the Gendarmerie, it can accommodate a blade to clear obstacles and a nozzle for high pressure spraying, or an Alset grenade-launching hood.

The Crotale [Rattlesnake]

This vehicle, or more precisely this weapon system, offers the peculiarity of having been researched and built for export (to South Africa, Libya, Morocco), and then adopted by the French Air Force for the protection of its aerodromes.

The Crotale system includes an interception unit, with observation and designation of objective radar and operation console with digital computer, coupled with one, two, or three firing units each comprising a turret of four missiles, manufactured by Matra, as well as a tracking radar.

Each interception or firing unit is installed on an armored vehicle (manufactured by Hotchkiss), which insures the mobility of the unit and the protection of the gun crew.

The vehicle has a three man crew and weighs about 13 tons. In order to avoid possible interference inside the armored casing on the operation screen, the traditional internal combustion engine has been replaced by a 230 CV heat engine which fires, by means of an alternator, four electric engines housed in the hubs of each of the wheels.

It can attain a speed of 70 KM an hour. Observation is possible while the vehicle is in motion; firing is carried out from a set position.

The Crotale missile has a range of 500 meters at 8.5 kilometers per military payload of 15 kilograms. This is the same system which, modified and adapted to the AMX 30 chassis, has produced the Shahine.

Conclusion

A gun manufactured by GIAT (20 to 105 mm), a Hotchkiss-Brandt mortar (60 to 81 mm), Aerospatiale or Matra missiles, equipped with Marcel Dassault Electronics, Thomson, or CII fire control or observation systems in a GIAT, SAMM, CNMP or Hitchkiss turret; the whole mounted on a GIAT, Panhard or Saviem chassis, there one has all the flexibility of the French system. The final range, as is apparent, can be very great and meet all buyer needs. The old principle used to state that a tank is built around a turret which, in its turn, is ruled by a gun which depends on a shell.

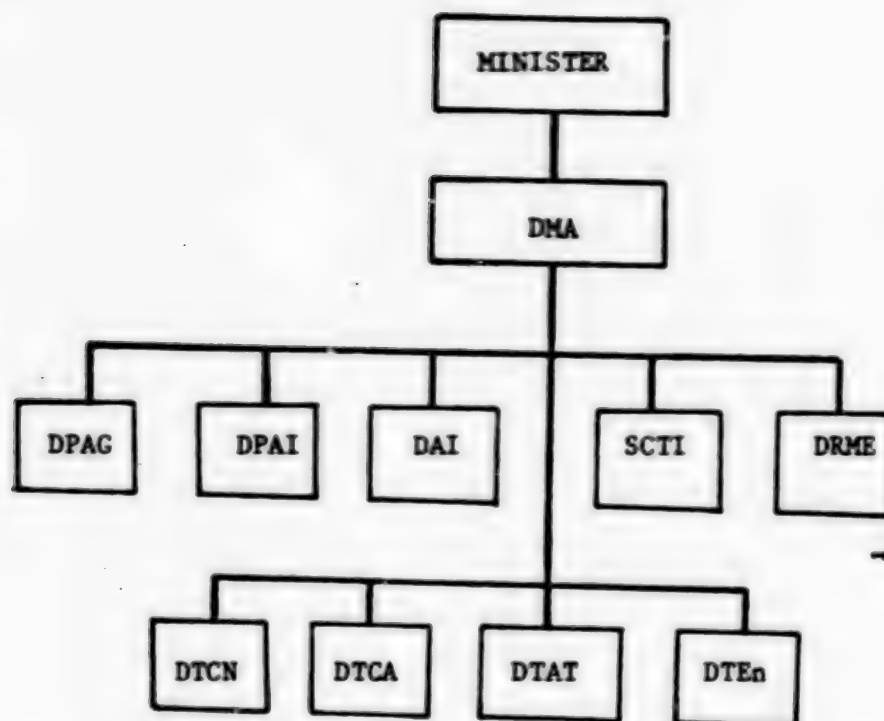
In the present case, the final assembly is 'a la carte,' one chassis accommodating several turrets, a turret capable of having several

different guns, and a gun accommodating several types of shell. If the different possible spare parts are thrown in, one may state that these products are easily adaptable to any tactical, climatic, or even financial imperative.

Once the vehicle has been sold, the role of the control and animation agencies (DMA, GIAT...) is by no means at an end: French industry offers, in fact, a complete range of aftersales services (supplying munitions and spare parts, qualified personnel, training of crews and mechanics, etc.)

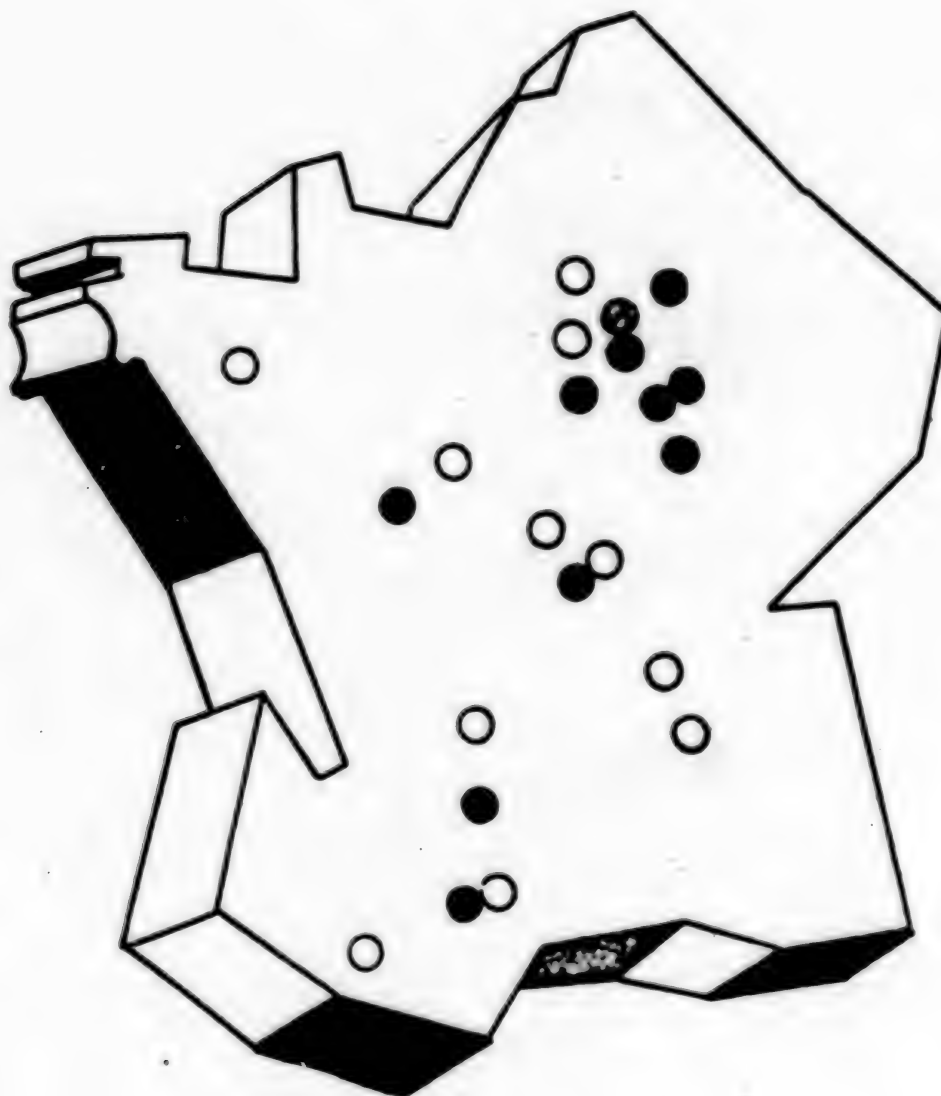


The self-propelling 155 mm on an AMX-13 chassis, the most recent in this line of armored vehicles.



Organization of the General Delegation of Weaponry (formerly DMA) which shows the place of the DTAT of which the GIAT is the industrial agency.

DMA	Ministerial Delegate for Weapons
DPAG	Personnel and General Business Directorate
DPAI	Program and Industrial Business Directorate
DAI	International Affairs Directorate
SCTI	Central Telecommunications and Data Processing Service
DRME	Research and Testing Directorate
DTCN	Technical Directorate of Naval Construction
DTCA	Technical Directorate of Aeronautical Construction
DTAT	Technical Directorate of Ground Forces Weapons
DTEn	Technical Directorate of Vehicles



DTAT Establishments

- | | |
|---|--|
| ● DTAT-General Directorate | ● ETAS-Technical Testing Establishment, Angers |
| ● GIAT-Central Office | ● ETBS-Technical Testing Establishment, Bourges |
| ● SCC-Central Ordering Service, Paris | ● SEFT-Telecommunications Study & Manufacturing Section, Issy-les-Moulineaux |
| ● ESAT-Higher Schools of Ground Forces Weapons, Arcueil | ● LCA-Central Weapons Laboratory, Arcueil, and its Annex |
| ○ GIAT-Industrial Center | ● SEBC at le Bouchet |
| | ● CEG-Gramat Study Center |
| | ● CAP-Toulouse Airport Center |

CHANGES IN POSITION ON PLO DIALOGUE VIEWED

Paris LE FIGARO in French 28 Aug 79 pp 1, 4 LD

[Article by Paul-Marie de La Gorce: "The Middle East's False Stability"]

[Excerpt] It must never be forgotten that before President Al-Sadat's visit to Jerusalem in November 1977 the United States had committed itself--not without difficulties and contradictions--to seeking an all-embracing settlement in the Middle East by reviving the Geneva conference and disarming Soviet hostility. The main episode in this search was the joint Vance-Gromyko declaration. The Egyptian initiative led the United States to change its policy and mobilize to insure the initiative's success. However, the present deadlock has restored the credibility of those who have always thought that other paths should be explored. It is important to remember that in this affair the public statements made by U.S. officials are a far cry from their real thinking. The power of Israel's unqualified supporters and the electoral influence attributed to them almost always force them to maintain a certain tone and to respect certain taboos. However, in private most of them have long openly admitted that any serious solution depends on taking account of the Palestinians' political fate and on negotiation with their representatives.

It is therefore in this field that some steps have been taken. There is reason to think that the meeting between [European] socialist leaders and Mr Yasir 'Arafat did not take place without U.S. encouragement. To all intents and purposes the contacts between U.S. representative Mr Wolff and PLO representatives in Vienna were not secret. Mr Andrew Young's contacts with Mr Al-Tarazi should have remained secret; however the reason for this was that they concerned difficult negotiations aimed at delaying the Security Council's discussion of the revision of Resolution 242 to include recognition of the Palestinians' right to self-determination in terms that U.S. diplomacy could accept.

In these conditions the Young affair has a clear significance. As our Washington correspondent Charles Lambroschini rightly suggested, the Israeli officials helped to give these contacts publicity which makes them

impracticable; despite the natural denial it has been established that this was the case. The failure suffered by U.S. supporters of dialog with the Palestinians postpones further efforts on their part. However nobody can doubt that they will try again some day. Most observers think this will happen after the 1980 U.S. elections. All they can do is hope that events and human passions will respect the election timetable.

In any case the development which began was not surprising. In this respect French policy set the example by rejecting taboos and seeing things as they really are. Experience has shown that it merely anticipated the general trend, especially by the other European countries which, after denouncing France at times, have finally followed in its footsteps. Nonetheless, this development would have to be pretty clear and prompt to prevent further troubles.

CSO: 3100

FIRST PCF-POLISARIO SUMMIT REPORTED

Paris L'HUMANITE in French 30 Aug 79 p 7 LD

[Dispatch by Francoise Germain-Robin: "First PCF-Polisario Summit"]

[Text] Algiers, 29 Aug--The second day of Georges Marchais' official visit to Algeria, which started in a relaxed atmosphere with a sightseeing visit to the Tipaza Roman ruins and two magnificent complexes built nearby, ended with political meetings and talks which continued late into the night.

Following a moving ceremony during which a sheaf of flowers was placed at President Boumedienne's grave under a leaden sky and in stifling heat, Georges Marchais was received at National Liberation Front (FLN) headquarters by Politburo member and FLN coordinator Mohamed S. Yahiaoui in the presence of FLN Central Committee members Slimane Hoffman and Ali Amar and, for the PCF, Central Committee member Jacques Denis and foreign policy department member Alain Gresch.

The talks, which took place in a very cordial and relaxed atmosphere, lasted nearly 4 hours and enabled its participants to discuss very many problems of common interest. Mohamed S. Yahiaoui emphasized the importance of Georges Marchais' planned meeting with President Chadli.

Referring to the present situation in Algeria, Yahiaoui recalled the difficult period faced by the country after President Boumedienne's death and the way Algeria reasserted its option for building socialism despite speculations and pressures to which it was subjected at that time. He emphasized the need to put into practice an increasingly broadly based democracy with a view to enabling the people to exercise their sovereignty. He expressed his satisfaction with the strengthening of FLN-PCF relations because, Mohamed S. Yahiaoui stated, "We have a long way to go together."

Discussing the problem of Franco-Algerian relations, the two parties emphasized the seriousness of the problems created for Algerian immigrants in France and agreed on the principle of joint initiatives to be taken during the coming period. Georges Marchais mentioned the need for

improvement in Franco-Algerian cooperation in all spheres and the PCF's efforts to persuade the French Government to take concrete steps in this direction.

Generally speaking, the dialog between the two delegations disclosed a broad convergence of views on the questions discussed, whether with respect to the situation in the region, especially West Sahara, the Middle East, recent conflicts in Southeast Asia or a new world economic order in support of whose creation the two parties agreed to encourage initiatives by all progressive forces.

The discussion will continue tonight during a dinner given by the FLN coordinator at the Villa Moncada which has been built recently in the zoological garden which is being created in the immediate vicinity of the Algerian capital.

Late Tuesday night, Georges Marchais received Polisario Front Secretary General Mohamed Abdelaziz in the residence put at his disposal at Club Des Pins.

It was an important moment since this was the first PCF-Polisario Front summit meeting.

A greatly moved Mohamed Abdelaziz warmly thanked the PCF for the courageous support which it has always given to his cause.

During the talks, which continued into the early hours of Wednesday, the Polisario Front secretary general explained in detail the situation prevailing in the field, emphasizing the importance of the recent attack staged by Saharan combatants against the city of El Bouirat, a very strong garrison town from which the Moroccan Royalist Forces were forced to withdraw last Friday. Mohamed Abdelaziz restated the Polisario Front's determination to intensify the fighting which is now taking the form of real battles involving thousands of men and considerable equipment with a view to driving the Moroccan occupiers away and showing world opinion that they are no longer in control of the situation.

As for Georges Marchais, he reaffirmed the French Communists' solidarity with the Saharan people, adding that new initiatives will be taken to intensify this solidarity even further.

The Algerian press and radio have been devoting much time and space every day to reports on Georges Marchais' visit and when following his party as it travels about you can notice that many passers-by in the city recognize and greet him.

CSO: 3100

PCF-POLISARIO COMMUNIQUE ISSUED ON MARCHAIS-ABDELAZIZ TALKS

Paris L'HUMANITE in French 30 Aug 79 p 7 LD

[Apparent text of "PCF-Polisario Front Joint Communique" published in Algiers on 29 August]

[Text] A cordial meeting between PCF Secretary General Georges Marchais and Polisario Front Secretary General Mohamed Abdelaziz took place in Algiers on 28 August in the presence, for the Polisario Front, of Malainine Ould Sadik, Politburo member and deputy chief of the Foreign Relations Committee and, for the PCF, of Central Committee member Jacques Denis and Foreign Policy Section member Alain Gresch.

The talks enabled the two leaders to emphasize the solidarity which has long existed between the PCF and the Polisario Front. This solidarity has assumed special significance at a time when important developments have been taking place in the Saharan people's struggle. The recent OAU summit and the agreement between Mauritania and the Polisario Front constitute events of great significance which have opened the way for a just solution of the conflict. Among the parties concerned, only Morocco has unfortunately refused to participate in this process. It has responded to it with a veritable coup by occupying the entire territory of West Sahara and by an act of aggression against the Mauritanian provisional administration.

However, it is in no one's power to defeat the Saharan people's legitimate desire to decide their own affairs completely freely. This has been made clear by the Polisario Front's considerable successes both in the political sphere and in the field, whereas, despite imperialist support, Hassan II is becoming increasingly isolated.

In the face of Moroccan aggression fraught with dangers for the peoples living in the region and for peace, Georges Marchais and Mohamed Abdelaziz stated that no just and lasting settlement of the conflict can be achieved unless the Saharan people's national rights, their inalienable right to self-determination and independence within borders inherited from the colonial regime, are recognized. The Moroccan troops must immediately withdraw from the entire territory of the Saharan Democratic Arab Republic [SDAR].

Georges Marchais emphasized PCF solidarity with the Polisario Front, the genuine representative of the Saharan people. The PCF is determined to intensify its action to make the French Government immediately discontinue its unacceptable policy of military intervention in that region of Africa--in particular, its arms supplies to Morocco--and to make it agree to play a positive role in restoration of peace on the basis of UN resolutions in support of the Saharan people's right to self-determination. This would make it possible to create prospects for fruitful cooperation among peoples and states in the region to the advantage of all concerned.

In conclusion, Georges Marchais and Mohamed Abdelaziz agreed to further strengthen the present friendly relations and solidarity between the PCF and the Polisario Front.

Georges Marchais invited a Polisario Front delegation to visit France in the near future. This invitation has been accepted. Georges Marchais has been invited to visit the SDAR and he has accepted this proposal.

CSO: 3100

PS, PCF LEADERS CITED ON UNITY OF LEFT

[Editorial Report LD] Paris LE MONDE in French 22 August 1979 carries on page 9 a 1,400-word "J.-M.C." report on a speech made by French Socialist Party [PS] First Secretary Francois Mitterrand at Anglet 20 August. After attacking the government's policy and calling for a "union of popular forces" to resist this policy, Mitterrand states that no "summit meeting of parties and trade unions of the left" is likely to take place in the near future. Therefore, he continues, "I am not suggesting that any multilateral political and trade union meeting be organized. I am merely saying that the PS would respond favorably to such a proposal. However, since we have to advance step by step the PS is taking the initiative with a view to organizing bilateral meetings between organizations active in the same spheres as we are--that is, big parties, workers and teachers organizations and also consumer and family organizations."

"Referring to the attitude adopted by the PCF," the report continues, "Francois Mitterrand expressed regret that that party seems to have 'given up the idea of a union' until the balance among left parties is restored to its advantage. And he asked: 'Is a victory for the people's forces preferred here and now to any immediate advantage of partisan interests? As far as the socialists are concerned, they are ready to act any time. We want to prepare for the moment when a political solution becomes imperative. This is why we will broaden our contacts with new forces which will join hands with those who have already appeared on the scene in recent years. If I had to describe our objective in a few words, I would say: France needs a left of national salvation.'"

Mitterrand concludes by stating: "The main task for the socialists united round their candidate in 1981 will be to secure the largest possible number of supporters--which would enable the PS to represent the left in the second ballot."

Paris L'HUMANITE in French 23 August 1979 carries on pages 1 and 3 a 1,900-word unattributed report on a 22 August French television interview with PCF Secretary General Georges Marchais. Marchais begins by answering questions on the French Government's policies and on an article in FRANKFURTER ALLGEMEINE criticizing the PCF. He goes on to discuss the PCF's relations with the PS:

"[Question] Mr Mitterrand has spoken of participation in action at grassroots level....

"[Answer] We learned from the new situation created by the leftwing split after F. Mitterrand and the other PS leaders abandoned the joint program and the union policy. We analyzed the causes of this situation, learned from them and laid down our line: unity of action at grassroots level. The documents published at the end of our 23d congress, the report I presented and the resolution adopted defined that line.

"We are proposing unity of action at grassroots level. This unity of action is necessary from various viewpoints. First to uphold the workers' demands and interests. Second because by unity of action we can impose democratic measures enabling us to progress toward the socialist society which we want to build. Third, we maintain that this creates the right conditions for a strong and lasting union capable of winning. That is our line.

"Comrades sometimes wonder whether there will be new agreements with the PS. Our view is that nobody can say at the moment when or how such agreements could be reached or what form they might take. However, it is clear that we can make progress by unity of action."

Georges Marchais goes on to analyze the speech made by PS First Secretary Mitterrand at Anglet. He then returns to the question of the prospects for a new union:

"[Question] When others propose action to you will you say yes or no?

"[Answer] Of course [as published]. I even said I was prepared to make a pact with the devil. Therefore.... We are prepared for unity of action with any forces willing to oppose the government's action and to achieve objectives in keeping with the workers interests.

"What we do not and will never agree to is an attitude which could lead to surrender or illusions. In other words we must maintain a clear view of the cause of the situation, of inflation, unemployment and the problems facing the workers."

Marchais goes on to discuss trade union attitudes to PCF action and then turns to the question of political rivalry between the PCF and PS:

"[Question] Are the PS and PCF not in competition?

"[Answer] I would like to say this to the workers once again: experience has shown you that you need a powerful PCF to defend you. All past experience has shown this, including experience of unity.... You must learn from your past experience. Had there not been an imbalance on the left in favor of the PS, F. Mitterrand would probably not have been able to break the union and abandon the joint program in the way that he did. It was because the PCF was not strong enough that F. Mitterrand managed to break the union.

"We want to strengthen our PCF. However, I defy anybody to find any statement or policy in party documents which makes unity dependent on the PCF having a dominant position.

"We want unity. We want unity of action. We want it to be effective. We want to insure that the situation we experienced in 1977 does not recur--in other words, the situation in which the PS, when it wished, was able to break the union and shatter the workers' hopes. That is all."

CSO: 3190

IRANIAN OIL AFFAIR MAKES CARTER LOOK 'RIDICULOUS'

Paris FRANCE-SOIR in French 2-3 Sep 79 p 7 LD

[Dispatch by Louis Foy: "Carter Ridiculed by 1 Million Barrels of Oil"]

[Text] New York--Jimmy Carter has just received a squirt of Iranian oil full in the face. And he does not know how to get rid of it.

At the center of the affair is the 1 million barrels of oil and kerosene which he decided last week to sell back to the Iranians to enable "unfortunate families to heat their homes and cook during the coming winter." However, the Iranians no longer want it and even intend to sell it back to the Americans at an inflated price.

The Iranians asked for it to begin with because their new Esfahan refinery was not likely to become operational on time. They no longer want it because the refinery will be ready before winter. And Carter does not know how to extricate himself from this situation.

A situation especially embarrassing because the president announced at the same time with a self-satisfied smile that the new Iranian regime had agreed to purchase some of the American arms ordered by the shah, primarily spare parts and ammunition needed for the guns and tanks used to put down the Kurd uprising.

Turnabout

Last week, at dawn, on a Mississippi embankment, a worker asked Carter whether he saw no contradiction between these decisions and his beliefs concerning respect for human rights.

An embarrassed president replied: "No American has been killed in Iran," thus apparently equating respect for human rights with respect for the rights of Americans.

"One million barrels is a small amount," Carter explained to journalists next day. "Iran sells us this amount every day and, furthermore, we have done this for humanitarian reasons."

This explanation failed to satisfy Americans, especially those living in northern and eastern states in which the first presidential primaries will take place and which are running the risk of being short of fuel for heating purposes during next winter. Congress, which resumes its activities in Washington Monday, announced that it would ask for an inquiry.

Carter must now execute another turnabout. The White House and the State Department are compelled to pretend that they have misheard--"this is impossible," their spokesmen assert, "Hasan Nazih, chairman of Iranian National Oil Company, could not have said this."

And yet Mr Nazih stated quite clearly: "We no longer need the oil which we have bought back and it is even possible that we will sell it back again to the Americans at a higher price."

He even stated this on Tehran Radio last week at the very time when Carter was defending his decision on the banks of the Mississippi.

An embarrassing situation is becoming ridiculous. For Carter would probably never become aware of it if a paper--THE WASHING STAR--had not mentioned the affair Friday morning.

CSO: 3100

CARTER REELECTION PROBLEMS EXAMINED

Paris LE FIGARO in French 6 Sep 79 p 3 LD

[Dispatch by Charles Lambroschini: "Jimmy Carter--90 Days to Save His Presidency"]

[Text] Washington--"Carter has 90 days left to save his presidency!"--this is the unanimous opinion of experts at a time when the reopening of congress yesterday marked the resumption of political activity.

There are still 14 months to go before the elections take place but the president must start his fight now to secure his renomination as Democratic Party candidate.

Between now and December he must improve his position in such a way that when winter and the "primaries" season come any possible contestants--in this case, Edward Kennedy--will find it advisable to give up any idea of dissidence.

Since he has less to fear from the Republican opposition than from a revolt within his own party, Carter is being confronted with the following dilemma: in 3 months he has to achieve everything that the Americans seem to reproach him for having failed to do in the past 3 years.

In the domestic sphere the economy takes precedence for the White House over anything else. Two objectives are in view--reducing inflation and dealing with the energy crisis. The news is not good for either front. A 13.7 percent increase in the wholesale price index for the year has been announced in the latest report and as far as most basic elements (foodstuffs, housing and energy) are concerned, it appears that the increase will be even higher--18.6 percent.

The other major problem: Carter's latest energy plan, which has proved no more successful as far as congress is concerned than its predecessors. Congressmen made no headway in this sphere before they broke up in August. A motion by Democratic senator for Colorado Garry Hart providing for the submission of the most important provisions of the plan to an inquiry commission has been adopted.

Hart believes that the plan, which provides for investments of \$141 billion is "too fundamental" to be approved without any prior study of its economic and ecological impact. When accused of burying the Carter plan, the Colorado senator merely stated: "This is an excellent plan for the nineties but not one which it is absolutely necessary to adopt during the summer of 1979."

An Unrecognizable Plan

As a consequence of this insidious act of sabotage only \$3 billion (an amount granted by the Senate Energy Commission) instead of \$22 billion will be provided for the development of synthetic fuel. As for the emergency rationing plan, it has become unrecognizable.

It would be implemented only if only 20 percent of demand could be met over a period of at least 30 days, that is, if shortages became three times more acute than the dearth which led to kilometers-long lines at gas stations in June.

Finally, "adding insult to injury," as the well-known Anglo-Saxon proverb puts it, congressmen have ridiculed the proposals for a tax credit (\$2.4 billion) which would encourage people to save energy by promoting the construction of better planned homes and the return to the use of wood for fuel.

As for the Republicans, Congressman Barber Conable stated: "We should also reward architects who build houses with windows facing the east since the sun rises in the east." A Democrat, William Brodhead, remarked: "It will be necessary to provide a policeman for every tree because otherwise forests will be destroyed."

The latest opinion polls published by TIME magazine clearly show the enormity of the task facing Carter. The Republicans would be able to defeat him--Ronald Reagan by 42 percent to 38 percent--while John Connally, who came fourth on the preference list of opposition candidates, follows close on Carter's heels with only four points between the two men. As for Edward Kennedy, the Democrats' favorite, he would crush Carter by two to one. Even though Americans continue to pay tribute to their president's intelligence and honesty, only 12 percent of them recognize his qualities as leader and 13 percent believe him capable of resolving the energy problem.

Suddenly, the Americans who waxed indignant at Nixon's duplicity have become tired of ineffective virtue and applaud when Connally asserts: "Yes, I am a horse trader but this is in fact the kind of president the country needs--a horse trader cunning enough not to come back from the fair with one-eyed lame horse."

"Carter is a politician without a following," old hands assert. In fact, the president is unable to please any of the major forces which make up

the Democratic Party's traditional coalition without displeasing another. By dismissing Andrew Young he has appeased Jews but irritated Blacks. By preaching moderation with respect to the budget, he may have stopped certain bankers from joining the Republicans but he has estranged the labor unions.

However, unlike Lyndon Johnson, Carter is determined not to concede defeat before the battle. Despite the opinion polls, he professes to be able to defeat any Republican. A corollary of this belief: "In view of the alternative, neither Blacks, Jews nor labor unions will abandon the Democratic candidate." His whole tactic is to ignore the inessential and concentrate on the essential, that is, discouraging Kennedy.

As far as the immediate future is concerned, it is a question of improving the situation obviously enough to make the senator for Massachusetts delay his entry into the arena as long as possible. An adviser of Carter's remarked: "At the time of the first primary, New Hampshire, on 26 February, the final date for registration for 25 primaries out of 35 will be past." Finally, while paying repeated visits to rational regions--from Baltimore to the midwest--the president has been emphasizing the contradiction inherent in the candidacy of the senator for Massachusetts--as a "spend-thrift liberal" Kennedy is no longer attuned to an increasingly "conservative" public opinion.

In 1979 Carter has opted for Truman's 1948 recipe--opposition to Washington's egoistic elite or, failing this, roaming the "heartland of the country" to denounce it.

CSO: 3100

PCTP/MRPP LEADERSHIP SPLIT OVER POLICY

Lisbon JORNAL NOVO in Portuguese 26 Jul 79 p 10

[Text] Arnaldo Matos has resigned from the Central Committee of the PCTP/MRPP [Communist Party of Portuguese Workers/Movement for the Reorganization of the Proletariat Party], a party source divulged.

The 40-year-old attorney also resigned the post of secretary general, which he had occupied since the MRPP was founded in 1970, and has refused to resume leadership functions until the next party congress.

In a session which took place Monday in the Vasco Santana Theatre in Lisbon, Matos accused several PCTP leaders of failing to observe freedom of expression within the organization, calling them "provocateurs."

These leaders--who are not named--were called "divisive" and "revisionist," and said to "boycott" measures determined by the Central Committee.

The PCTP rejects Marxism-Leninism-Maoism, and its official newspaper, LUTA POPULAR, has attacked the present policy of the People's Republic of China and of Albania, which it likens to that of the Soviet Union.

The party supported the presidential candidacy of Ramalho Eanes, but has also criticized the strategy adopted by Belem.

6362

CSO: 3101

DAILY ACCUSES CGTP-IN OF RECEIVING SOVIET ASSISTANCE

Lisbon DIARIO DE NOTICIAS in Portuguese 9 Aug 79 p 2

[Text] In a communique released yesterday, the National Secretariat of the CGTP-IN [General Federation of Portuguese Workers-National Intersindical] denied reports that it had recently accepted about 1,400 contos from Moscow. The same sources say this is the fourth remittance of American dollars from the USSR this year.

Today's edition of CORREIO DA MANHA carried a report stating that "the CGTP-IN received U.S. \$28,570, or over 1,400 contos from Moscow," adding that this is the "fourth remittance in dollars which Moscow has sent to the Intersindical" and that "another remittance in dollars from Moscow was deposited at the end of July." The report concluded that "the discovery of Soviet transfers to the Intersindical could cast serious doubt on the independent character of that union central."

According to the National Secretariat of the CGTP-IN, the report is "totally false and slanderous," and the daily was already so informed in a "previous denial" forwarded by an aide of the secretariat.

Later, referring specifically to the content of the report, the CGTP-IN "publicly reiterates its steadfast loyalty to its principle of independence with respect to management, the state, religious faiths, parties and other political associations or any groups that are not of a union nature, and also guarantees that it will not submit to any tactics intended to lead it to betray the principles of existing solidarity among all the workers of the world."

Finally, it "denies having received the 1,425 contos to which the report refers as 'the fourth remittance received by the Intersindical from Moscow this year,' and that 'another remittance in dollars was deposited during the final days of July.'"

"Therefore," it concludes, "the report in the CORREIO DA MANHA is false. For this reason, the CGTP-IN intends to take legal action against the CORREIO DA MANHA, in order to make an example of the authors of the false report and also to allow the respective court to obtain from the Overseas Bank a formal denial of the bank transfers to which the report refers."

REVOLUTIONARY LEFT DIVIDED OVER ELECTORAL TACTICS

Liston DIARIO DE NOTICIAS in Portuguese 10 Aug 79 pp 15, 16

[Article by Diogo Pires Aurelio]

[Text:] An association of members of several political groups and independent figures, all of them from quarters of the so-called "revolutionary left," last week issued a manifesto intended as a platform for a coalition candidacy in the coming interim elections. Although the proponents present themselves under a single label, as a means to initiate "concrete efforts to contact the various political forces--the UEDS [expansion unknown], MES [Movement of the Socialist Left], OUT [expansion unknown], UDP [Popular Democratic Union], PCP (R) [Portuguese Communist Party (Reformed)], nonpartisan intervention groups and independent militants and activists," it has not gone unnoticed that among them is Ferro Rodrigues and Vitor Wengorovins, currently leaders in the MES, Augusto Mateus and Teotónio Pereira, members of the minority wing in that movement following the last congress, Joao Espada, currently director of the newspaper VOZ DO POVO, and Joao Vieira Lopes, of the National Council of the UDP, who has in fact been censured by the council for endorsing a document that contains platform points counter to the UDP program, to which all its members are committed.

It is also known that Acacio Barreiros was present at the press conference in which the initiative was announced, a few days before his resignation from the Permanent Committee of the UDP was accepted, "in view of disagreements regarding the program and the popular revolutionary line of the UDP, and in view of his individualistic and self-assertive stands, which have become increasingly marked."

On the other hand, UEDS leader Lopes Cardoso has already denied reports that his organization is involved in the process of drafting unitarian slates. On the contrary, the UEDS should receive legal status as a party next week, which would lead one to believe that it intends to present its own slates. However, the supposition is that several independent figures are being invited to appear on those slates, among them Maj Otelio Saraiva de Carvalho, who could come to head the slate for Setubal, and Professor Paulo Quintela, who would lead the Coimbra slate.

The UDEM stand has been openly criticized by several other organizations, which dispute Lopes Cardoso's insistence that the slates appear under the symbol of his party, rejecting any idea of agreeing to a coalition symbol. The MES recently took a stand against the "partisan self-assertion" of the UEDS, concluding that it "sees no prospect whatever for a coalition as long as any single organization arrogates the role of leadership over the other political forces." The same thing occurred with regard to the OUT, which has already declared that "any electoral front on the revolutionary left, created hastily during the summer of 1979 with the interim elections in mind, cannot have any credibility whatever."

Considering this picture of options of the various groups of the so-called "revolutionary left," it could perhaps already be concluded that only two candidacies will emerge: the UEDS candidacy, on one hand, and the UDP's on the other, since the UDP leaders have already guaranteed that "under no circumstances will the Popular Democratic Union refrain from taking part in the next elections." Hence the continuing efforts on various sides to create a coalition candidacy are already doomed to go no farther than good intentions, frustrated by all the lines of division that cut across this political area. It is obvious, if only from the items we mentioned above, that a unitarian candidacy cannot be achieved by the UDP's present leadership, which is increasingly committed to a radicalism that the other organizations or individual independents reject, despite their declarations of "commitment to the unitarian effort." In the same way, it is not hard to conclude that the UEDS will not be the one to bring off this coalition, especially dealing with forces whose "leftism"--quite recent, in some cases--is suspect among the electorate that Lopes Cardoso seeks to reach.

Under these circumstances, the question that arises is whether one of these two candidacies can manage to elect deputies to the benches of Sao Bento. Incidentally, this will depend on how a whole range of leftist militants place their vote; they will certainly hesitate between voting with the organization that is theoretically closest to them--either the UEDS or the UDP--and the so-called expedient vote for the PS or the PCP. Lopes Cardoso is certainly counting on a part of the Socialist electorate that may become increasingly estranged from the party but will not vote for the PCP in any case. Will this group be significant enough and dense enough in some districts to send one or more UEDS leaders, or independents who accept the UEDS label, to Sao Bento? Or, on the other hand, if it is real, is this electorate made up of scattered strands throughout the country, with no chance of overcoming the conditions imposed by the Hondt system?

One fact alone might come to change these prospects, for the UEDS or the UDP: Otelo Saraiva de Carvalho's acceptance. Otelo is a charismatic figure whose forced departure from the Armed Forces has enabled him to recover some of the prestige lost since the presidential elections. To date, however, Otelo has maintained a reserved stand, which has sustained hopes on various fronts, albeit these hopes are not large for any one of them. For this very reason, and because, from all indications, a "coalition slate" is unlikely, Otelo's

appearance on one of the two slates that will emerge is currently the crux of the electoral question for the "revolutionary left." Incidentally, the PCP has already perceived this, and immediately launched a campaign against the former COPCON [Continental Operations Command] commander, just as it did at the time of Octavio Pato's candidacy for the presidency of the republic. Still, the influence of the PCP apparatus reaches only so far, and no one can guarantee there will not be a repetition of a phenomenon of the kind that occurred before, in the event that Otelo heads any slate--with everything that phenomenon brings to the simple "left or extreme left" dilemma and entails for the actual social and cultural conditions of the Portuguese people.

6322

CSO: 3101

ETA LEADERS MEET IN PORTUGAL

Bilbao EL CORREO ESPANOL - EL PUEBLO VASCO in Spanish 25 Jul 79 p 11

[Text] Lisbon, 24 (Efe.) Leaders of the Basque separatist group ETA [Basque Fatherland and Liberty Group] met in Portugal late last March and early last April, according to statements to Efe from police sources in Oporto, the second largest city of Portugal.

The presence of the ETA leaders in Portugal coincides with the hardening of the French government's position against ETA, a change which forced the group to change its methods and seek new places of refuge.

According to the police sources, the ETA leaders contrived to get aboard French cargo vessels and left the boats in Lisbon posing as crew members.

In Portugal, political groups similar to ETA provide logistical support to ETA when needed; in this operation the support activities functioned perfectly.

In order to return to Spain, two residents of the Portuguese border city of Chaves who are trusted by ETA were called upon to lend their assistance.

The information reported by sources connected with Oporto police confirms the strong rumors circulating during that time which alerted the intelligence agencies of Spain and Portugal.

11,989

CSO: 3110

INI CONTROLLED COMPANIES CONTINUE TO LOSE MONEY

Madrid ABC in Spanish 25 Jul 79 p 25

[Text] The 1979 losses for all public firms in Spain will reach an estimated 100 billion pesetas. Renfe [Spanish National Railroads], with about 40 billion, and Hunosa [National Northern Coal Enterprise], with about 20 billion in losses, continue to lead the list of losers, and they are followed by Ensidesa [National Iron and Steel Enterprise, Inc.], Seat [Spanish Passenger Car Company, Inc.] Feve [Spanish Narrow-Gauge Railroads], Mediterranean Blast Furnaces, and INI [National Institute of Industry] Shipbuilders.

Facing such a precarious situation, the Ministry of Finance is working on a series of "program contracts" with each of these enterprises to take effect beginning in 1980. Through these contracts, the National Resources Directorate will set financial and business operating ratios to be met within certain periods (generally 3 years), and there are plans to create "compliance commissions" to assure implementation of the contracts.

INI Director Describes Crisis

Just as ABC reported yesterday, the Industry Minister has sent INI a directive laying out three areas for action which are included in the economic program to be studied today by the government and which are aimed at reducing the negative results foreseen for public enterprises in 1979. These areas are:

1. A capitalization plan to reduce the excessive costs of financing, which have had adverse effect on productivity.
2. Improved management through an effectiveness study.
3. Adaptation of means to the desired ends and pricing activity to fit with the situation of rising costs.

The clear intent of these measures is to avoid penalizing INI in the process of rectifying the situation. ABC contacted an authorized source, Fernando Rubio, INI's financial director, in order to find out what the situation is now for the holding company. Mr Rubio said first that the press often studies

the financial structure of INI as a group of firms, but on the other hand analysis of INI as such, as a holding company, that is, is almost nonexistent. We relate here almost literally the words of the financial director of INI:

On 31 December 1978, INI as holding company recorded payments from the Treasury of 75.249 billion pesetas, a sum which was not enough to cover the investments made by the institute, which has caused a serious decline in its financial health. On that date Institute resources reached 29 percent of total holdings.

Also, INI's direct investments, mainly stock holdings, were 161.572 billion pesetas on that date, of which only 109.066 billion were covered by INI resources, which amounts to a structural deficit of 52.506 billion pesetas. If present planning is implemented, the deficit will ascend beyond 61 billion pesetas in 1979.

This deficit has direct effect on the financial health of the firms, since part of the capital investments which INI should have made in these firms had to be covered by loans in order to comply with production goals contracted for, payment of interest and payment of principal to financial institutions here and abroad.

In a parallel fashion, according to the economic policy of the government, the volume of investment by firms in the group has grown without proper harmony among financial resources. Thus with treasury resources of slightly more than 75 billion pesetas, there is a fixed net of almost 800 billion and total assets above 1.3 million pesetas, which represents 9.6 percent of fixed net assets and 5.6 percent of total assets.

Noting this important multiplier effect, Mr Rubio reaches three final conclusions which may guide the government in trying to heal the institute financially. The first is that if INI continues losing, it would be in a very delicate situation and would no longer be able to function as a means of creating wealth. Therefore the structural deficit of INI ought to be covered with treasury payments, hopefully just once or if not at least during a reasonably short period.

The second conclusion consists in matching the group's investment policy with its strategic planning and financial capacity. The third conclusion highlights the need to keep the public informed promptly through timely reports through agencies or institutions as judged proper by the government.

11,989
CSO: 3110

POSSIBILITY OF FINDING OIL IN MADRID AREA NOTED

Madrid YA in Spanish 27 Jul 79 p 3

[Text] Before the end of the year initial oil explorations will begin in Madrid province, according to reports to Efe from well informed sources. The possibility of finding oil is real in almost all sedimentary formations, and these formations are present in a large part of the province.

In what has been called the Madrid oil basin, there are eight concessions for oil exploration belonging to the Shell-Espana firm in an area stretching from southeast to northwest, between 4 degrees 5 minutes south and 40 degrees 45 minutes north and 4 degrees 5 minutes west and 3 degrees 15 minutes east, considering the capital as the center. The eight concessions are: Pinto, Parla, Navalcarnero, Aravaca, Arganda, Alcobendas, Algete and Alcala.

The first tests are being prepared, and this is the reason why recently rumors have been circulating in Madrid that oil had been discovered. As one source for a group of oil experts said to Efe, "This always happens during the preparations for any oil tests."

Also, as stated to Efe by the explorations chief for Shell-Espana, the concessionary firm, "It is assumed that there is oil in Madrid province." Oil firms contacted by YA which have neither overestimated nor underestimated the possibilities have stated: "Obviously it is assumed there is oil. If the possibility were not considered real, Shell would not have taken the risk of landing in a mess."

The Shell explorations chief confirms this approach, saying, "One of the activities of an oil company is always to carry out tests in formations which hold the possibility of oil deposits. If we acquired concessions for oil in Madrid province, it is because we have indications there may be oil."

He added, "We have plans to carry out the first explorations within a year." However, he declined to add any statement on the place or areas with most probability of oil deposits. He added, "In the operations of an oil company there are things which are released to the public and things which are not, and this is one of the things which will not be released."



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